

This is a follow up letter to the HAMP – PER Revision Plan letter sent to USDA on October 11, 2017. In my conversation with you on November 1st, you had mentioned that Mr. Luecker would like to talk with the Hopi Utility Corporation and the Indian Health Service (HUC, IHS) regarding concerns with estimated end user costs and possibly other items. HUC and IHS have not heard from Mr. Luecker regarding these comments. Both HUC and IHS are prepared to discuss any aspects of the HAMP alternative or the PER revision plan.

The HUC is currently facing a critical timeline to up-date the HAMP PER for submittal to the USDA in February and is asking for confirmation that the approach which we have suggested is supported by USDA. Those suggestions are

- The Joint-agency response provided on September 5th would become an appendix to the PER document.
- A summary of estimated O&M costs for village well-head arsenic treatment will be included in the PER appendix. Other non-monetary considerations may also be included in this summary.
- The PER document will be modified as proposed in the attached PER Revision Plan document.

The HUC is requesting that USDA provide written concurrence for the above plan by 29 December to ensure that the IHS and HUC can complete the PER by the target February deadline. If the HUC receives no response to this request from the USDA it will be assumed that this plan will meet USDA's needs for the PER submittal to go with the HAMP funding application to be submitted by the HUC.

The USDA has stated that a major concern was the end user pricing estimate in the 2014 PER which states that the average HAMP cost per connection is \$49.50. The HUC has re-evaluated all projected costs with the result that its most current end-user HAMP cost estimate is approximately \$32 per month.

The HUC and will address how the reduced rates were calculated in the revised PER submittal and as an appendix to the Strategic Plan.

I look forward to a response from the USDA regarding the HUC plan for moving forward with HAMP PER revisions and a funding application.

Respectfully,
